

**Approved by the Streamlined Sales Tax Project at its January 13, 2004 Meeting**

*Edited February 23, 2004 to add additional options for drugs for animal use and again based on February 27, 2004 teleconference*

**Taxability Matrix**

**Library of Definitions**

**State : Michigan**

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Each of the items listed in the chart are defined in the Library of Definitions in the Streamlined Sales Tax Agreement adopted November 12, 2002, or adopted by the Implementing States subsequent to November 12, 2002. Refer to Appendix C of the Streamlined Sales Tax Agreement for each definition.

Place an "X" in the appropriate column under the heading "Treatment of definition" to indicate the treatment of each definition in your state. If a definition does not apply to your state, enter "NA" in the first column under the heading "Treatment of definition." In accordance with the agreement, your state must adopt the definitions in the Library of Definitions that apply to your state without qualifications except for those allowed by the agreement. For this reason, do not enter any comments or qualifications in the two columns under the heading "Treatment of definition". If your state has adopted a definition in the Library of Definitions with a qualification, do not place an "X" in either column under the heading "Treatment of definition" but include a comment in the "Reference" column explaining the qualification. Enter the applicable statute/rule cite in the "Reference" column.

**Sellers and certified service providers are relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales and use tax resulting from the seller or certified service provider relying on erroneous data provided by the member state relative to treatment of the terms defined in the Library of Definitions.**

This matrix references citations to both the Michigan Use Tax Act, MCL 205.91 et. seq. ("UTA"), and the Michigan General Sales Tax Act, MCL 205.51 et. seq. ("STA").

This matrix references product-based exemptions, and does not address all potentially applicable entity-based or use-based exemptions.

## Treatment of Definition

## Reference

Sales price. Identify how the options listed below are treated in your state. The following options may be excluded from the definition of sales price only if they are separately stated on the bill to the purchaser.	Included in sales price	Excluded from sales price	Statute/Rule Cite UTA = Use Tax Act; STA = Sales Tax Act
<b>NOTE:</b> The Michigan Use Tax Act uses the terms "purchase price" or "price" rather than "sales price." MCL 205.92(f)(iii)			
<ul style="list-style-type: none"> <li>Charges by the seller for any services necessary to complete the sale other than delivery and installation</li> </ul>			Sales price includes charges by the seller for any services necessary to complete the sale, UTA: MCL 205.92(f)(iii); STA: MCL 205.51(1)(d)(iii), but excludes: a) gratuities/tips identified on guest check or billed to customer, UTA: MCL 205.92(f)(iii)(A); STA: MCL 205.51(1)(d)(iii)(A), and; b) labor or service charges involved in maintenance and repair work on tangible personal property of others if separately itemized. UTA: MCL 205.92(f)(iii)(B); STA: MCL 205.51(1)(d)(iii)(B).
<ul style="list-style-type: none"> <li>Delivery charges including direct mail</li> </ul>			Sales price includes only delivery charges incurred before the completion of the transfer of ownership of tangible personal property from the seller to the purchaser. UTA: MCL 205.92(f)(iv); STA: MCL 205.51(1)(d). Allocation of delivery charges between taxable and exempt items is permitted under IPD 2004-8 (available at <a href="http://www.michigan.gov/treasury">www.michigan.gov/treasury</a> -- click on "Revenue Administrative Bulletins" under Treasury Quick Links).
<ul style="list-style-type: none"> <li>Delivery charges excluding direct mail</li> </ul>			Sales price includes only delivery charges incurred before the completion of the transfer of ownership of tangible personal property from the seller to the purchaser. UTA: MCL 205.92(f)(iv); STA: MCL 205.51(1)(d). Allocation of delivery charges between taxable and exempt items is permitted under IPD 2004-8 (available at <a href="http://www.michigan.gov/treasury">www.michigan.gov/treasury</a> -- click on "Revenue Administrative Bulletins" under Treasury Quick Links).

Sales Price continued	Included in sales price	Excluded from sales price	Statute/Rule Cite
• Installation charges			Sales price includes only installation charges incurred or to be incurred before the completion of the transfer of ownership of tangible personal property from the seller to the purchaser. UTA: MCL 205.92(f)(v); STA: MCL 205.51(1)(d).
• Exempt personal property bundled with taxable personal property			Not addressed in statute.
• Credit for trade-in	X		UTA: MCL 205.92(f)(vi); STA: 205.51(1)(d).
<b>Product definitions</b>			
<b>Clothing and related products</b>	<b>Taxable</b>	<b>Exempt</b>	<b>Statute/Rule Cite</b>
Clothing	X		Clothing is taxable, UTA: MCL 205.92(k); STA: MCL 205.51a(p) and UTA: MCL 205.93; STA: MCL 205.52(1).
Clothing accessories or equipment	X		UTA: MCL 205.92(k); STA: MCL 51a(p). UTA: MCL 205.93; STA: MCL 52(1).
Protective equipment	X		UTA: MCL 205.92(k); STA: MCL 51a(p). UTA: MCL 205.93; STA: MCL 52(1).
Sport or recreational equipment	X		UTA: MCL 205.92(k); STA: MCL 51a(p). UTA: MCL 205.93; STA: MCL 52(1).
<b>Computer related products</b>	<b>Taxable</b>	<b>Exempt</b>	<b>Statute/Rule Cite</b>
Computer software (not prewritten)		X	UTA: MCL 205.94a(d); STA: MCL 205.54d(g).
Computer software (not prewritten) delivered electronically		X	UTA: MCL 205.94a(d); STA: MCL 205.54d(g).
Computer software (not prewritten) delivered via load and leave		X	UTA: MCL 205.94a(d); STA: MCL 205.54d(g).
Prewritten computer software	X		UTA: MCL 205.92(k); STA: MCL 205.51a(p). UTA: MCL 205.92b(n); STA: MCL 205.51a(n). UTA: MCL 205.93; STA: MCL 205.52(1).
Prewritten computer software delivered electronically	X		UTA: MCL 205.92(k); STA: MCL 205.51a(p). UTA: MCL 205.92b(n); STA: MCL 205.51a(n). UTA: MCL 205.93; STA: MCL 205.52(1).
Prewritten computer software delivered via load and leave	X		UTA: MCL 205.92(k); STA: MCL 205.51a(p). UTA: MCL 205.92b(n); STA: MCL 205.51a(n). UTA: MCL 205.93; STA: MCL 205.52(1).

<b>Food and food products</b>	<b>Taxable</b>	<b>Exempt</b>	<b>Statute/Rule Cite</b>
Candy		X	UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
Dietary supplements		X	UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
Food and food ingredients		X	UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
Food sold through vending machines			Food sold through vending machines that is either heated or cooled is taxed, except milk, non-alcoholic beverages in sealed containers and fresh fruit are exempt. UTA: MCL 205.94d(2); STA: MCL 205.54g(2).
Soft drinks		X	UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
<b>Prepared food</b>	<b>Included in the definition</b>	<b>Excluded from sales price</b>	<b>Statute/Rule Cite</b>
Prepared food options - indicate whether the following options are included or excluded from the definition of prepared food.			
• Food sold without eating utensils provided by the seller whose primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries)			Prepared food is defined without reference to particular sellers. UTA: MCL 205.94d(4)-(6); STA: MCL 205.54g(4)-(6).
• Food sold without eating utensils provided by the seller in an unheated state by weight or volume as a single item		X	UTA: MCL 205.94d(5)(c); STA: MCL 205.54g(5)(c).
• Bakery items sold without eating utensils provided by the seller, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas		X	UTA: MCL 205.94d(5)(d); STA: MCL 205.54g(5)(d).
<b>Health-care products</b>			
<b>Drugs (indicate how the options are treated in your state)</b>	<b>Taxable</b>	<b>Exempt</b>	<b>Statute/Rule Cite</b>
• Drugs for human use without a prescription			Insulin, and drugs dispensed for human use that can only be legally dispensed pursuant to prescription of a qualified health professional, are exempt whether or not a prescription is actually issued. UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a). All other drugs are taxable whether or not a prescription is issued.

Drugs continued	Taxable	Exempt	Statute/Rule Cite
• Drugs for human use with a prescription			Insulin, and drugs dispensed for human use that can only be legally dispensed pursuant to prescription of a qualified health professional, are exempt whether or not a prescription is actually issued. UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a). All other drugs are taxable whether or not a prescription is issued.
• Drugs for animal use without a prescription	X		UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
• Drugs for animal use with a prescription	X		UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
• Insulin for human use without a prescription		X	UTA: MCL 205.94a(g); STA: MCL 205.54d(l).
• Insulin for human use with a prescription		X	UTA: MCL 205.94a(g); STA: MCL 205.54d(l).
• Insulin for animal use without a prescription	X		UTA: MCL 205.94a(g); STA: MCL 205.54d(l).
• Insulin for animal use with a prescription	X		UTA: MCL 205.94a(g); STA: MCL 205.54d(l).
• Medical oxygen for human use without a prescription	X		UTA: MCL 205.94a(f); STA: MCL 205.54d(k).
• Medical oxygen for human use with a prescription		X	UTA: MCL 205.94a(f); STA: MCL 205.54d(k).
• Medical oxygen for animal use without a prescription	X		UTA: MCL 205.94a(f); STA: MCL 205.54d(k).
• Medical oxygen for animal use with a prescription	X		UTA: MCL 205.94a(f); STA: MCL 205.54d(k).
• Over-the-counter drugs for human use without a prescription	X		UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
• Over-the-counter drugs for human use with a prescription	X		UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
• Over-the-counter drugs for animal use without a prescription	X		UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
• Over-the-counter drugs for animal use with a prescription	X		UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
• Grooming and hygiene products for human use	X		UTA: MCL 205.92(k); STA: MCL 205.51a(p). UTA: MCL 205.93; STA: MCL 205.52(1).
• Grooming and hygiene products for animal use	X		UTA: MCL 205.92(k); STA: MCL 205.51a(p). UTA: MCL 205.93; STA: MCL 205.52(1).
• Drugs for human use to hospitals and other medical facilities			Sales of insulin, and drugs for human use that can <b>only</b> be legally dispensed by prescription, are exempt. UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a). Other drug sales are taxable. Included among entity-based exemptions are exemptions for nonprofit hospitals. UTA: MCL 205.94(1)(h); STA: MCL 205.54a(1)(a).

Drugs continued	Taxable	Exempt	Statute/Rule Cite
• Prescription drugs for human use to hospitals and other medical facilities			Sales of insulin, and drugs for human use that can <b>only</b> be legally dispensed by prescription, are exempt. UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a). Other drug sales are taxable. Included among entity-based exemptions are exemptions for nonprofit hospitals. UTA: MCL 205.94(1)(h); STA: MCL 205.54a(1)(a).
• Drugs for animal use to veterinary hospitals and other animal medical facilities	X		UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
• Prescription drugs for animal use to hospitals and other animal medical facilities	X		UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
• Taxable and nontaxable drugs bundled together			Bundled transactions are not currently addressed in statute.
• Free samples of drugs for human use			Transfers of insulin, and drugs for human use that can <b>only</b> be legally dispensed by prescription, are exempt. UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a). Other drug transfers are taxable, whether or not a prescription is issued.
• Free samples of prescription drugs for human use			Transfers of insulin, and drugs for human use that can <b>only</b> be legally dispensed by prescription, are exempt. UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a). Other drug transfers are taxable, whether or not a prescription is issued.
• Free samples of drugs for animal use	X		UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
• Free samples of prescription drugs for animal use	X		UTA: MCL 205.94d(1)(a); STA: MCL 205.54g(1)(a).
Durable medical equipment (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite
• Durable medical equipment without a prescription	X		UTA: MCL 205.92b(i); STA: MCL 205.51a(i) UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).
• Durable medical equipment with a prescription			Exempt if for home use. UTA: MCL 205.92b(i); STA: MCL 205.51a(i). UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).

Durable medical equipment continued	Taxable	Exempt	Statute/Rule Cite
<ul style="list-style-type: none"> <li>• Durable medical equipment paid for by Medicare</li> </ul>			<p>Exempt if:</p> <ol style="list-style-type: none"> <li>1. for home use and dispensed pursuant to a prescription,            UTA: MCL 205.92b(i); STA: MCL 205.51a(i),            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h),  <u>OR</u>;</li> <li>2. purchased directly by:               <ol style="list-style-type: none"> <li>A. the State of Michigan or a department, institution or political subdivision of the State of Michigan;</li> <li>B. the United States;</li> <li>C. an unincorporated agency or instrumentality of the United States, or;</li> <li>D. an incorporated agency or instrumentality of the United States wholly owned by the United States.</li> </ol> </li> </ol> <p>UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).</p>
<ul style="list-style-type: none"> <li>• Durable medical equipment reimbursed by Medicare</li> </ul>			<p>Exempt if for home use and dispensed pursuant to a prescription.            UTA: MCL 205.92b(i); STA: MCL 205.51a(i).            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).</p>

Durable medical equipment continued	Taxable	Exempt	Statute/Rule Cite
<ul style="list-style-type: none"> <li>• Durable medical equipment paid for by Medicaid</li> </ul>			<p>Exempt if:</p> <ol style="list-style-type: none"> <li>1. for home use and dispensed pursuant to a prescription,            UTA: MCL 205.92b(i); STA: MCL 205.51a(i),            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h),  <u>OR</u>;</li> <li>2. purchased directly by:               <ol style="list-style-type: none"> <li>A. the State of Michigan or a department, institution or political subdivision of the State of Michigan;</li> <li>B. the United States;</li> <li>C. an unincorporated agency or instrumentality of the United States, or;</li> <li>D. an incorporated agency or instrumentality of the United States wholly owned by the United States.</li> </ol> </li> </ol> <p>UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).</p>
<ul style="list-style-type: none"> <li>• Durable medical equipment reimbursed by Medicaid</li> </ul>			<p>Exempt if for home use and dispensed pursuant to a prescription.            UTA: MCL 205.92b(i); STA: MCL 205.51a(i).            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).</p>
<ul style="list-style-type: none"> <li>• Durable medical equipment for home use without a prescription</li> </ul>	X		<p>UTA: MCL 205.92b(i); STA: MCL 205.51a(i).            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).</p>
<ul style="list-style-type: none"> <li>• Durable medical equipment for home use with a prescription</li> </ul>		X	<p>UTA: MCL 205.92b(i); STA: MCL 205.51a(i).            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).</p>



Durable medical equipment continued	Taxable	Exempt	Statute/Rule Cite
<ul style="list-style-type: none"> <li>• Durable medical equipment for home use paid for by Medicare</li> </ul>			<p>Exempt if:</p> <ol style="list-style-type: none"> <li>1. for home use and dispensed pursuant to a prescription,            UTA: MCL 205.92b(i); STA: MCL 205.51a(i),            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h),  <u>OR</u>;</li> <li>2. purchased directly by:               <ol style="list-style-type: none"> <li>A. the State of Michigan or a department, institution or political subdivision of the State of Michigan;</li> <li>B. the United States;</li> <li>C. an unincorporated agency or instrumentality of the United States, or;</li> <li>D. an incorporated agency or instrumentality of the United States wholly owned by the United States.</li> </ol> </li> </ol> <p>UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).</p>
<ul style="list-style-type: none"> <li>• Durable medical equipment for home use reimbursed by Medicare</li> </ul>			<p>Exempt if for home use and dispensed pursuant to a prescription.            UTA: MCL 205.92b(i); STA: MCL 205.51a(i).            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).</p>

Durable medical equipment continued	Taxable	Exempt	Statute/Rule Cite
<ul style="list-style-type: none"> <li>Durable medical equipment for home use paid for by Medicaid</li> </ul>			<p>Exempt if:</p> <p>1. for home use and dispensed pursuant to a prescription,            UTA: MCL 205.92b(i); STA: MCL 205.51a(i),            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h),  <u>OR</u>;</p> <p>2. purchased directly by:</p> <p>A. the State of Michigan or a department, institution or political subdivision of the State of Michigan;</p> <p>B. the United States;</p> <p>C. an unincorporated agency or instrumentality of the United States, or;</p> <p>D. an incorporated agency or instrumentality of the United States wholly owned by the United States.</p> <p>UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).</p>
<ul style="list-style-type: none"> <li>Durable medical equipment for home use reimbursed by Medicaid</li> </ul>			<p>Exempt if for home use and dispensed pursuant to a prescription.            UTA: MCL 205.92b(i); STA: MCL 205.51a(i).            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).</p>
Mobility enhancing equipment (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite
<ul style="list-style-type: none"> <li>Mobility enhancing equipment without a prescription</li> </ul>	X		UTA: MCL 205.92b(1); STA: MCL 205.51a(1). UTA: MCL 205.94(1)(p); STA: MCL 205.54(1)(h).
<ul style="list-style-type: none"> <li>Mobility enhancing equipment with a prescription</li> </ul>		X	UTA: MCL 205.92b(1); STA: MCL 205.51a(1). UTA: MCL 205.94(1)(p); STA: MCL 205.54(1)(h).

Mobility enhancing equipment continued	Taxable	Exempt	Statute/Rule Cite
<ul style="list-style-type: none"> <li>• Mobility enhancing equipment paid for by Medicare</li> </ul>			<p>Exempt if:</p> <ol style="list-style-type: none"> <li>1. dispensed pursuant to a prescription,            UTA: MCL 205.92b(1); STA: MCL 205.51a(1),            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h),  <u>OR</u>;</li> <li>2. purchased directly by:               <ol style="list-style-type: none"> <li>A. the State of Michigan or a department, institution or political subdivision of the State of Michigan;</li> <li>B. the United States;</li> <li>C. an unincorporated agency or instrumentality of the United States, or;</li> <li>D. an incorporated agency or instrumentality of the United States wholly owned by the United States.</li> </ol> </li> </ol> <p>UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).</p>
<ul style="list-style-type: none"> <li>• Mobility enhancing equipment reimbursed by Medicare</li> </ul>			<p>Exempt if dispensed pursuant to a prescription.            UTA: MCL 205.92b(1); STA: MCL 205.51a(1).            UTA: MCL 205.94(1)(p); STA: MCL 205.54(1)(h).</p>
<ul style="list-style-type: none"> <li>• Mobility enhancing equipment paid for by Medicaid</li> </ul>			<p>Exempt if:</p> <ol style="list-style-type: none"> <li>1. dispensed pursuant to a prescription,            UTA: MCL 205.92b(1); STA: MCL 205.51a(1),            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h),  <u>OR</u>;</li> <li>2. purchased directly by:               <ol style="list-style-type: none"> <li>A. the State of Michigan or a department, institution or political subdivision of the State of Michigan;</li> <li>B. the United States;</li> <li>C. an unincorporated agency or instrumentality of the United States, or;</li> <li>D. an incorporated agency or instrumentality of the United States wholly owned by the United States.</li> </ol> </li> </ol> <p>UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).</p>

<b>Mobility enhancing equipment continued</b>	<b>Taxable</b>	<b>Exempt</b>	<b>Statute/Rule Cite</b>
• Mobility enhancing equipment reimbursed by Medicaid			Exempt if dispensed pursuant to a prescription. UTA: MCL 205.92b(1); STA: MCL 205.51a(1). UTA MCL 205.94(1)(p); STA: MCL 205.54(1)(h).
<b>Prosthetic devices (indicate how the options are treated in your state)</b>	<b>Taxable</b>	<b>Exempt</b>	<b>Statute/Rule Cite</b>
• Prosthetic devices without a prescription	X		UTA: MCL 205.92b(o); STA: MCL 205.51a(o). UTA: MCL 205.94(1)(p); STA: MCL 205.54(1)(h).
• Prosthetic devices with a prescription			Exempt, except that contact lenses and dental prostheses are excluded from the definition of "prosthetic device" and are taxable. UTA: MCL 205.92b(o); STA: MCL 205.51a(o). UTA: MCL 205.94(1)(p); STA: MCL 205.54(1)(h).
<b>Prosthetic devices continued</b>	<b>Taxable</b>	<b>Exempt</b>	<b>Statute/Rule Cite</b>
• Prosthetic devices paid for by Medicare			Exempt if: 1. dispensed pursuant to a prescription, except that contact lenses and dental prostheses are excluded from the definition of "prosthetic device" and are taxable. UTA: MCL 205.92b(o); STA: MCL 205.51a(o), UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h), <u>OR</u> ; 2. purchased directly by: A. the State of Michigan or a department, institution or political subdivision of the State of Michigan; B. the United States; C. an unincorporated agency or instrumentality of the United States, or; D. an incorporated agency or instrumentality of the United States wholly owned by the United States. UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).

Prosthetic devices continued	Taxable	Exempt	Statute/Rule Cite
<ul style="list-style-type: none"> <li>Prosthetic devices reimbursed by Medicare</li> </ul>			<p>Exempt if dispensed pursuant to a prescription, except that contact lenses and dental prostheses are excluded from the definition of "prosthetic device" and are taxable.            UTA: MCL 205.92b(o); STA: MCL 205.51a(o).            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).</p>
<ul style="list-style-type: none"> <li>Prosthetic devices paid for by Medicaid</li> </ul>			<p>Exempt if:</p> <ol style="list-style-type: none"> <li>dispensed pursuant to a prescription, except that contact lenses and dental prostheses are excluded from the definition of "prosthetic device" and are taxable.            UTA: MCL 205.92b(o); STA: MCL 205.51a(o),            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h),  <u>OR</u>;</li> <li>purchased directly by:               <ol style="list-style-type: none"> <li>the State of Michigan or a department, institution or political subdivision of the State of Michigan;</li> <li>the United States;</li> <li>an unincorporated agency or instrumentality of the United States, or;</li> <li>an incorporated agency or instrumentality of the United States wholly owned by the United States.</li> </ol> </li> </ol> <p>UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).</p>
<ul style="list-style-type: none"> <li>Prosthetic devices reimbursed by Medicaid</li> </ul>			<p>Exempt if dispensed pursuant to a prescription, except that contact lenses and dental prostheses are excluded from the definition of "prosthetic device" and are taxable.            UTA: MCL 205.92b(o); STA: MCL 205.51a(o).            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).</p>
<ul style="list-style-type: none"> <li>Corrective eyeglasses without a prescription</li> </ul>	X		UTA: MCL 205.92b(o); STA: MCL 205.51a(o).
<ul style="list-style-type: none"> <li>Corrective eyeglasses with a prescription</li> </ul>		X	UTA: MCL 205.92b(o); STA: MCL 205.51a(o).

Prosthetic devices continued	Taxable	Exempt	Statute/Rule Cite
<ul style="list-style-type: none"> <li>• Corrective eyeglasses paid for by Medicare</li> </ul>			<p>Exempt if:</p> <ol style="list-style-type: none"> <li>1. dispensed pursuant to a prescription,            UTA: MCL 205.92b(o); STA: MCL 205.51a(o),            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h),  <u>OR</u>;</li> <li>2. purchased directly by:               <ol style="list-style-type: none"> <li>A. the State of Michigan or a department, institution or political subdivision of the State of Michigan;</li> <li>B. the United States;</li> <li>C. an unincorporated agency or instrumentality of the United States, or;</li> <li>D. an incorporated agency or instrumentality of the United States wholly owned by the United States.</li> </ol> </li> </ol> <p>UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).</p>
<ul style="list-style-type: none"> <li>• Corrective eyeglasses reimbursed by Medicare</li> </ul>			<p>Exempt if dispensed pursuant to a prescription.            UTA: MCL 205.92b(o); STA: MCL 205.51a(o).            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).</p>
<ul style="list-style-type: none"> <li>• Corrective eyeglasses paid for by Medicaid</li> </ul>			<p>Exempt if:</p> <ol style="list-style-type: none"> <li>1. dispensed pursuant to a prescription,            UTA: MCL 205.92b(o); STA: MCL 205.51a(o),            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h),  <u>OR</u>;</li> <li>2. purchased directly by:               <ol style="list-style-type: none"> <li>A. the State of Michigan or a department, institution or political subdivision of the State of Michigan;</li> <li>B. the United States;</li> <li>C. an unincorporated agency or instrumentality of the United States, or;</li> <li>D. an incorporated agency or instrumentality of the United States wholly owned by the United States.</li> </ol> </li> </ol> <p>UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).</p>

Prosthetic devices continued	Taxable	Exempt	Statute/Rule Cite
• Corrective eyeglasses reimbursed by Medicaid			Exempt if dispensed pursuant to a prescription. UTA: MCL 205.92b(o); STA: MCL 205.51a(o). UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).
• Contact lenses without a prescription	X		UTA: MCL 205.92b(o); STA: MCL 205.51a(o).
• Contact lenses with a prescription	X		UTA: MCL 205.92b(o); STA: MCL 205.51a(o).
• Contact lenses paid for by Medicare			Exempt only if purchased directly by: A. the State of Michigan or a department, institution or political subdivision of the State of Michigan; B. the United States; C. an unincorporated agency or instrumentality of the United States, or; D. an incorporated agency or instrumentality of the United States wholly owned by the United States. UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).
• Contact lenses reimbursed by Medicare	X		UTA: MCL 205.92b(o); STA: MCL 205.51a(o).
• Contact lenses paid for by Medicaid			Exempt only if purchased directly by: A. the State of Michigan or a department, institution or political subdivision of the State of Michigan; B. the United States; C. an unincorporated agency or instrumentality of the United States, or; D. an incorporated agency or instrumentality of the United States wholly owned by the United States. UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).
• Contact lenses reimbursed by Medicaid	X		UTA: MCL 205.92b(o); STA: MCL 205.51a(o).
• Hearing aids without a prescription	X		UTA: MCL 205.92b(o); STA: MCL 205.51a(o).
• Hearing aids with a prescription		X	UTA: MCL 205.92b(o); STA: MCL 205.51a(o).

Prosthetic devices continued	Taxable	Exempt	Statute/Rule Cite
<ul style="list-style-type: none"> <li>Hearing aids paid for by Medicare</li> </ul>			<p>Exempt if:</p> <ol style="list-style-type: none"> <li>dispensed pursuant to a prescription,            UTA: MCL 205.92b(o); STA: MCL 205.51a(o),            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h),  <u>OR</u>;</li> <li>purchased directly by:               <ol style="list-style-type: none"> <li>the State of Michigan or a department, institution or political subdivision of the State of Michigan;</li> <li>the United States;</li> <li>an unincorporated agency or instrumentality of the United States, or;</li> <li>an incorporated agency or instrumentality of the United States wholly owned by the United States.</li> </ol> </li> </ol> <p>UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).</p>
<ul style="list-style-type: none"> <li>Hearing aids reimbursed by Medicare</li> </ul>			<p>Exempt if dispensed pursuant to a prescription.            UTA: MCL 205.92b(o); STA: MCL 205.51a(o).            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).</p>



Prosthetic devices continued	Taxable	Exempt	Statute/Rule Cite
<ul style="list-style-type: none"> <li>Hearing aids paid for by Medicaid</li> </ul>			<p>Exempt if:</p> <ol style="list-style-type: none"> <li>dispensed pursuant to a prescription,            UTA: MCL 205.92b(o); STA: MCL 205.51a(o),            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h),  <u>OR</u>;</li> <li>purchased directly by:               <ol style="list-style-type: none"> <li>the State of Michigan or a department, institution or political subdivision of the State of Michigan;</li> <li>the United States;</li> <li>an unincorporated agency or instrumentality of the United States, or;</li> <li>an incorporated agency or instrumentality of the United States wholly owned by the United States.</li> </ol> </li> </ol> <p>UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).</p>
<ul style="list-style-type: none"> <li>Hearing aids reimbursed by Medicaid</li> </ul>			<p>Exempt if dispensed pursuant to a prescription.            UTA: MCL 205.92b(o); STA: MCL 205.51a(o).            UTA: MCL 205.94(1)(p); STA: MCL 205.54a(1)(h).</p>
<ul style="list-style-type: none"> <li>Dental prosthesis without a prescription</li> </ul>			<p>Dental prostheses are excluded from the definition of "prosthetic device," UTA: MCL 205.92b(o); STA: MCL 205.51a(o), are taxable to the dental care provider as tangible personal property consumed in providing the service, UTA: MCL 205.93; STA: MCL 205.52(1), and are not considered to be "sold" by the care provider separate from the service. 1979 AC R205.111.</p>
<ul style="list-style-type: none"> <li>Dental prosthesis with a prescription</li> </ul>			<p>Dental prostheses are excluded from the definition of "prosthetic device," UTA: MCL 205.92b(o); STA: MCL 205.51a(o), are taxable to the dental care provider as tangible personal property consumed in providing the service, UTA: MCL 205.93; STA: MCL 205.52(1), and are not considered to be "sold" by the care provider separate from the service. 1979 AC R205.111.</p>

Prosthetic devices continued	Taxable	Exempt	Statute/Rule Cite
<ul style="list-style-type: none"> <li>• Dental prosthesis paid for by Medicare</li> </ul>			<p>Dental prostheses are excluded from the definition of "prosthetic device," UTA: MCL 205.92b(o), STA: MCL 205.51a(o), are taxable to the dental care provider as tangible personal property consumed in providing the service, UTA: MCL 205.93; STA: MCL 205.52(1), and are not considered to be "sold" by the care provider separate from the service. 1979 AC R205.111.</p> <p>Also, exempt if purchased directly by:</p> <ul style="list-style-type: none"> <li>A. the State of Michigan or a department, institution or political subdivision of the State of Michigan;</li> <li>B. the United States;</li> <li>C. an unincorporated agency or instrumentality of the United States, or;</li> <li>D. an incorporated agency or instrumentality of the United States wholly owned by the United States.</li> </ul> <p>UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).</p>
<ul style="list-style-type: none"> <li>• Dental prosthesis reimbursed by Medicare</li> </ul>			<p>Dental prostheses are excluded from the definition of "prosthetic device," UTA: MCL 205.92b(o); STA: MCL 205.51a(o), are taxable to the dental care provider as tangible personal property consumed in providing the service, UTA: MCL 205.93; STA: MCL 205.52(1), and are not considered to be "sold" by the care provider separate from the service. 1979 AC R205.111.</p>

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<ul style="list-style-type: none"> <li>• Dental prosthesis paid for by Medicaid</li> </ul>			<p>Dental prostheses are excluded from the definition of "prosthetic device," UTA: MCL 205.92b(o), STA: MCL 205.51a(o), are taxable to the dental care provider as tangible personal property consumed in providing the service, UTA: MCL 205.93; STA: MCL 205.52(1), and are not considered to be "sold" by the care provider separate from the service. 1979 AC R205.111.</p> <p>Also, exempt if purchased directly by:</p> <ul style="list-style-type: none"> <li>A. the State of Michigan or a department, institution or political subdivision of the State of Michigan;</li> <li>B. the United States;</li> <li>C. an unincorporated agency or instrumentality of the United States, or;</li> <li>D. an incorporated agency or instrumentality of the United States wholly owned by the United States.</li> </ul> <p>UTA: MCL 205.94(1)(g); STA: MCL 205.54(7).</p>
<ul style="list-style-type: none"> <li>• Dental prosthesis reimbursed by Medicaid</li> </ul>			<p>Dental prostheses are excluded from the definition of "prosthetic device," UTA: MCL 205.92b(o); STA: MCL 205.51a(o), are taxable to the dental care provider as tangible personal property consumed in providing the service, UTA: MCL 205.93; STA: MCL 205.52(1), and are not considered to be "sold" by the care provider separate from the service. 1979 AC R205.111.</p>